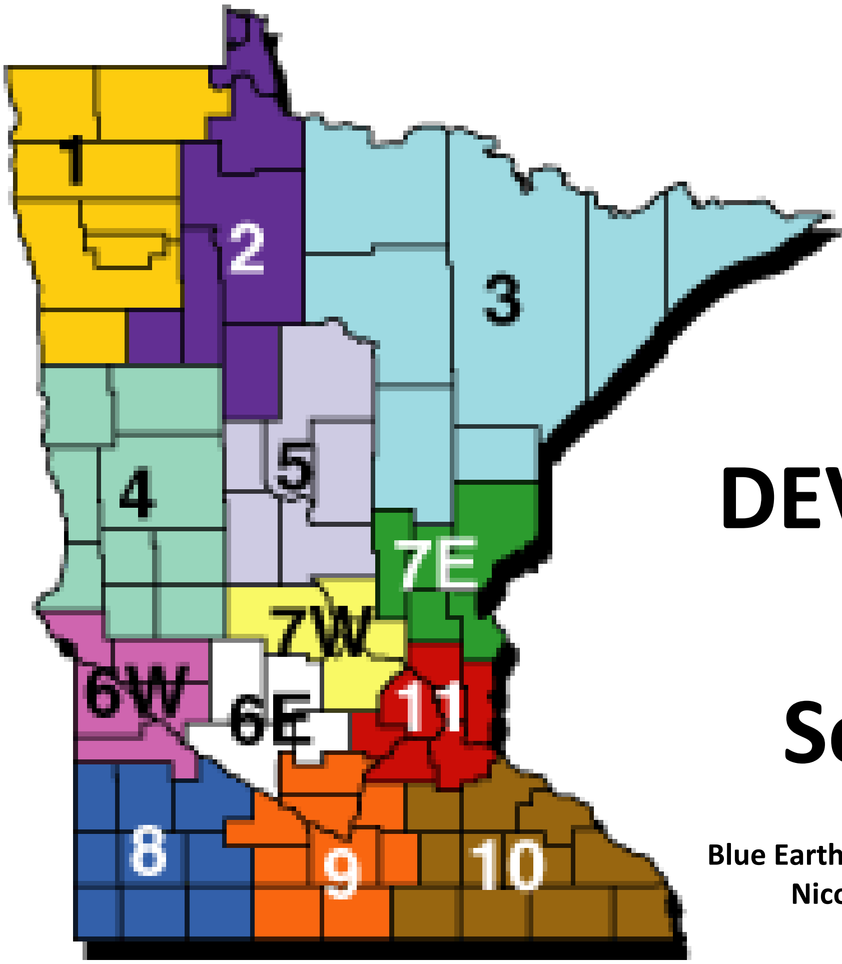

ECONOMIC DEVELOPMENT REGION 9: South Central

Covers counties:

Blue Earth, Brown, Faribault, Le Sueur, Martin, Nicollet, Sibley, Waseca, and Watonwan

2015 REGIONAL PROFILE

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DEMOGRAPHICS

POPULATION CHANGE, 2000-2014

Economic Development Region 9, also known as South Central Minnesota, includes a total of 9 counties, located in the Southwest Minnesota planning region. Region 9 was home to 230,978 people in 2014, comprising 4.2 percent of the state's total population. The region saw a 3.7 percent rise in population over the past 14 years, gaining about 8,200 new residents. That made it the eighth fastest growing region of 13 economic development regions (EDRs) in the state. In comparison, the state of Minnesota saw a 10.9 percent gain (see Table 1).

Table 1. Population Change 2000-2014

	2000 Population	2014 Estimates	2000-2014 Change Number	2000-2014 Change Percent
Region 9	**222,790**	**230,978**	***+8,188***	***+3.7%***
Blue Earth Co.	55,941	65,385	*+9,444*	*+16.9%*
Brown Co.	26,911	25,292	*-1,619*	*-6.0%*
Faribault Co.	16,181	14,192	*-1,989*	*-12.3%*
Le Sueur Co.	25,426	27,770	*+2,344*	*+9.2%*
Martin Co.	21,802	20,220	*-1,582*	*-7.3%*
Nicollet Co.	29,771	33,093	*+3,322*	*+11.2%*
Sibley Co.	15,356	14,918	*-438*	*-2.9%*
Waseca Co.	19,526	19,025	*-501*	*-2.6%*
Watonwan Co.	11,876	11,083	*-793*	*-6.7%*
Minnesota	**4,919,479**	**5,457,173**	***+537,694***	***+10.9%***

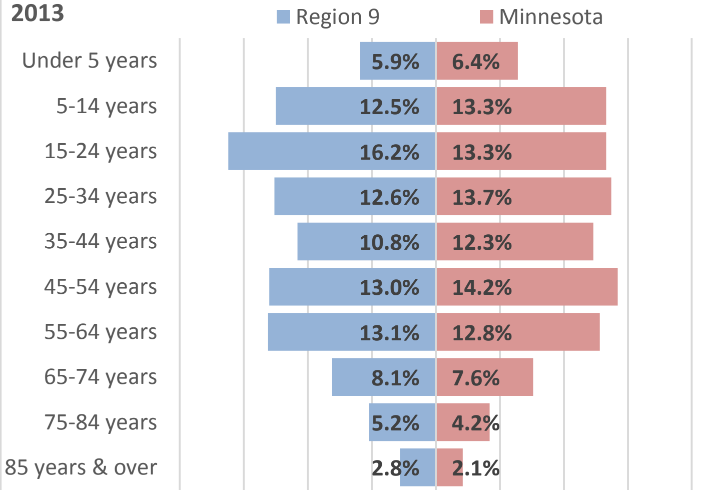
Source: U.S. Census Bureau, Population Estimates

Only 3 of the 9 counties in the region gained population from 2000 to 2014, with the other 6 seeing notable declines. The largest counties in the region are Blue Earth and Nicollet County, which make up the Mankato/North Mankato Metropolitan Statistical Area. With 65,385 people, Blue Earth is the 13th largest county in the state, and was the 10th fastest growing; while Nicollet has just over 33,000 people. Mankato is the 21st largest city in the state, but the fourth largest outside the Twin Cities. Other large counties in the region include Le Sueur (27,770 people), Brown (25,292), and Martin (20,220). Faribault County saw the biggest population decline in the region, and was the seventh fastest declining county statewide.

POPULATION BY AGE GROUP, 2000-2013

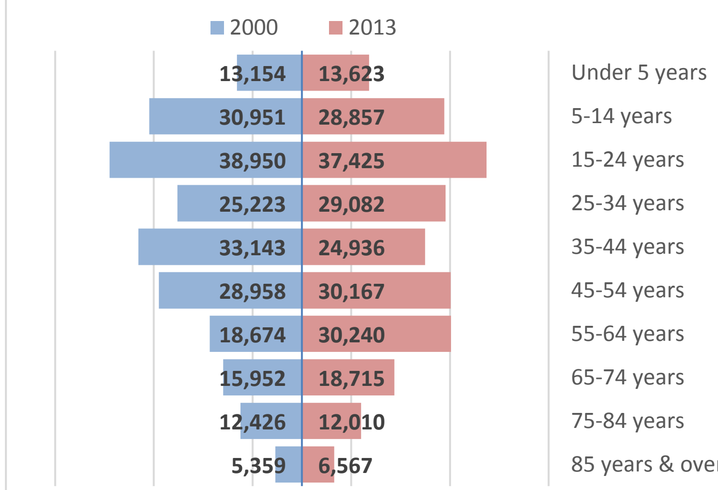
Region 9 has an older population than the rest of the state, with 16.1 percent of the population aged 65 years and over, compared to 13.9 percent statewide. Consequently, South Central had a lower percentage of people in the 25- to 54-year-old age group, typically considered the "prime working years," as well as a smaller percentage of school-aged children. However, having several postsecondary institutions in the region led to a higher percentage of people aged 15 to 24. More than one-fourth of the region's population was a part of the Baby Boom generation – people born between 1946 and 1964 – which is creating a significant shift in the population over time. While the number of younger residents is declining, the number of residents aged 55 years and over was rapidly increasing (see Figure 1 and Figure 2).

Figure 1. Percentage of Population by Age Group, 2013



Source: U.S. Census Bureau, American Community Survey

Figure 2. Region 9 Population Pyramid, 2000-2013

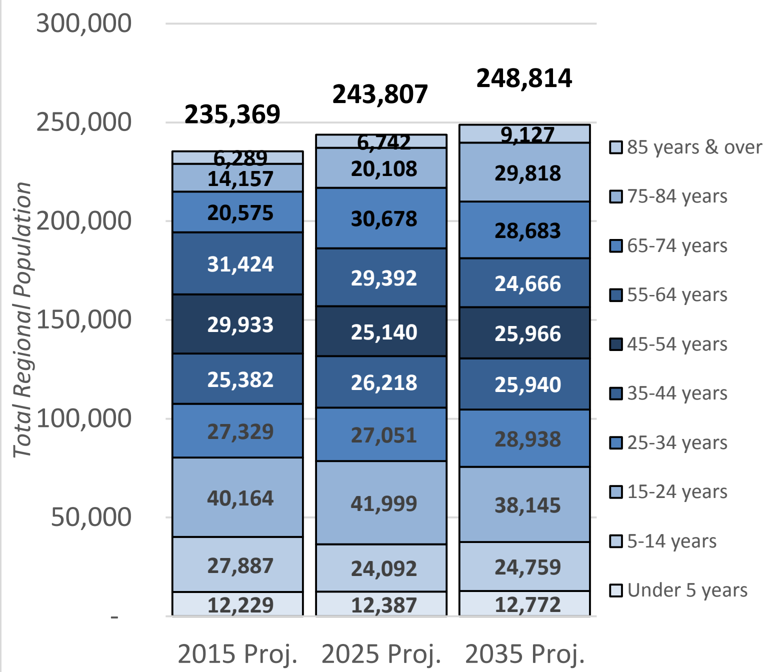


Source: U.S. Census Bureau, American Community Survey

POPULATION PROJECTIONS BY AGE GROUP, 2015-2035

Region 9 is projected to enjoy a slower but steady population increase in the next 20 years as well. According to population projections from the [State Demographic Center](), South Central is expected to gain about 13,500 net new residents from 2015 to 2035, a 5.7 percent increase (see Figure 3). In comparison, the state of Minnesota is projected to grow 10.8 percent.

Figure 3. Region 9 Population Projections by Age Group, 2015-2035



Source: Minnesota State Demographic Center

However, much of this population growth is expected to be in older age groups. Region 9 is projected to add nearly 26,600 people aged 65 years and over, a 64.9 percent increase. The region is also expected to gain people in the 25- to 44-year-old age group, as well as a corresponding increase in children under 5 years of age. In contrast, South Central is expected to lose school-aged children and young adults from 5 to 24 years, as well as people from 45 to 64 years of age – as the current Baby Boom generation moves through the population pyramid.

POPULATION BY RACE, 2013

Region 9's population is less diverse than the state's, but is becoming more diverse over time. In 2013, nearly 95 percent of the region's residents reported White alone as their race, compared to 85.6 percent of residents statewide. The region had much smaller percentages of Black or African American residents, American Indian and Alaska Natives, Asian or Other Pacific Islanders, and people of some other race or two or more races. However, at 5.0 percent, South Central had a higher percentage of people reporting Hispanic or Latino origin than the state, and saw huge increases in all race categories except some other race over the past decade (see Table 2).

Table 2. Race and Hispanic Origin, 2013	Region 9			Minnesota	
	Number	Percent	*Change from 2000-2013*	Percent	*Change from 2000-2013*
Total	**231,183**	**100.0%**	***+3.8%***	**100.0%**	***+8.7%***
White	219,240	94.8%	*+2.8%*	85.6%	*+4.0%*
Black or African American	3,572	1.5%	*+127.8%*	5.2%	*+63.0%*
American Indian & Alaska Native	640	0.3%	*+13.5%*	1.1%	*+4.6%*
Asian & Other Pac. Islander	2,445	1.1%	*+22.5%*	4.2%	*+56.9%*
Some Other Race	2,122	0.9%	*-41.1%*	1.4%	*+17.4%*
Two or More Races	3,164	1.4%	*+76.7%*	2.5%	*+59.6%*
Hispanic or Latino	11,506	5.0%	*+58.6%*	4.8%	*+79.3%*

Source: [U.S. Census Bureau, American Community Survey]()

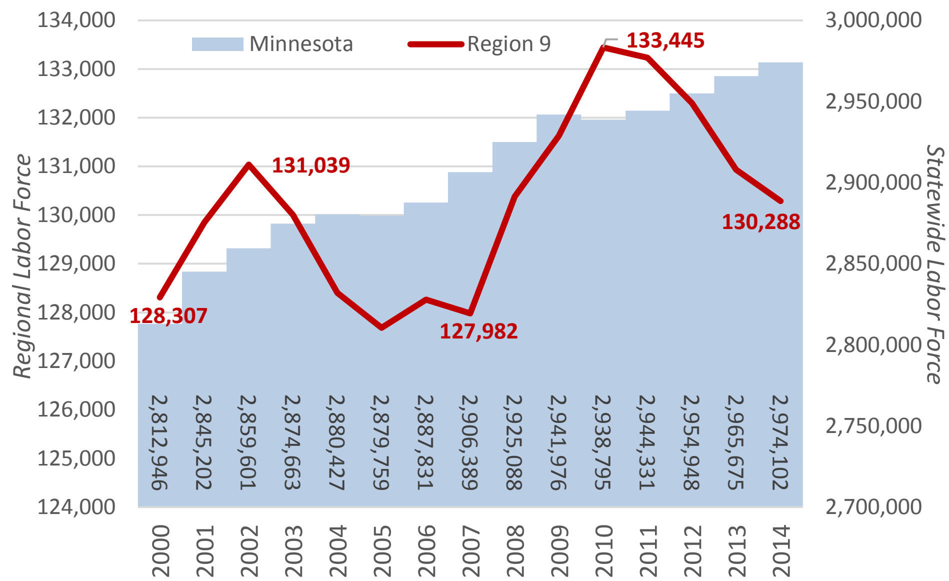
Watonwan County had the most diverse populace in the region, including 21.4 percent of residents reporting Hispanic origin, which was the second highest rate in the state. Blue Earth and Nicollet County also had relatively diverse populations for the region, though they were less diverse than the state. In contrast, over 97 percent of residents in Brown and Faribault County were white alone.

LABOR FORCE

LABOR FORCE CHANGE, 2000-2014

According to data from DEED's Local Area Unemployment Statistics program, Region 9 has experienced some substantial fluctuations in the size of the available labor force over the last 14 years in response to changing economic conditions. During the recessions in both 2001 and 2007, workers flooded into the labor market to earn extra income; then dropped back out when the region's economy improved (see Figure 4).

Figure 4. Annual Labor Force Estimates, 2000-2014



Source: DEED Local Area Unemployment Statistics (LAUS)

In line with the region's population gain overall, South Central also added about 2,000 workers over the last 14 years, from 128,307 available workers in 2000 to 130,288 workers in 2014. However, the labor force peaked in 2010 at 133,445 workers, and the region has lost over 3,000 workers since then. As the economy has recovered, the labor market in the region has been getting tighter. In contrast, the state was gaining workers over the past decade and a half, regardless of economic conditions.

LABOR FORCE PROJECTIONS, 2015-2025

If Region 9's population changes at the projected rates shown in Figure 3 above, the region would be expected to see a small decline in the labor force over the next decade. Applying current labor force participation rates to future population projections by age group creates labor force projections for the region, which show a small drop in workforce numbers.

Table 3. Region 9 Labor Force Projections

	2015 Labor Force Projection	2025 Labor Force Projection	2015-2025 Projected Change	
			Numeric	Percent
16 to 19 years	9,161	9,021	*-140*	*-1.5%*
20 to 24 years	16,361	18,090	*+1,729*	*+10.6%*
25 to 44 years	47,229	47,729	*+500*	*+1.1%*
45 to 54 years	26,670	22,400	*-4,270*	*-16.0%*
55 to 64 years	24,322	22,749	*-1,573*	*-6.5%*
65 to 74 years	6,214	9,265	*+3,051*	*+49.1%*
75 years & over	1,206	1,584	*+378*	*+31.3%*
Total Labor Force	**131,164**	**130,838**	***-326***	***-0.2%***

Source: Minnesota State Demographic Center, 2009-2013 American Community Survey 5-Year Estimates

In addition to the overall decline, the labor force will see a significant shift over time, with large gains in the number of workers aged 65 years and over against huge declines in the number of workers aged 45 to 64 years. However, the region is still expected to see gains in the number of entry-level workers and 25 to 44 year olds (see Table 3). This will likely lead to a tight labor market in the future as well, with employers needing to respond to the changing labor force availability in the region.

EMPLOYMENT CHARACTERISTICS, 2013

With 70.3 percent of the population aged 16 years and over in the labor force, Region 9 had the same labor force participation rate as the state. However, the region actually had higher labor force participation rates than the state in all but one age group, but had a higher percentage of the labor force in older age groups (see Table 4).

In contrast, Region 9 had lower participation rates than the state for some race categories; but high participation rates for Asian and Hispanic residents. Like the state, the region suffered large unemployment rate disparities for minority groups, with unemployment rates over 10 percent for most other races. Region 9 had almost 6,900 veterans and 6,500 workers with disabilities in the labor force, with both also having higher unemployment rates than the general population. In sum, unemployment rates were highest for young people, minorities, workers with disabilities, and people with lower educational attainment.

Table 4. Region 9 Employment Characteristics, 2013

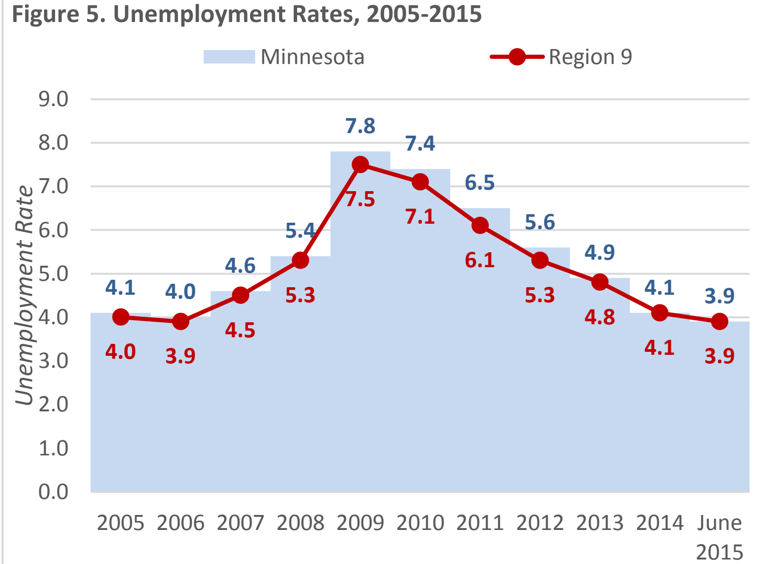
	Region 9			Minnesota	
	In Labor Force	Labor Force Partic. Rate	Unemp. Rate	Labor Force Partic. Rate	Unemp. Rate
Total Labor Force	**130,456**	**70.3%**	**5.8%**	**70.3%**	**7.1%**
16 to 19 years	8,189	57.5%	15.0%	50.9%	20.2%
20 to 24 years	16,493	80.8%	8.8%	81.6%	11.2%
25 to 44 years	48,841	89.6%	5.3%	88.2%	6.3%
45 to 54 years	28,241	89.1%	4.2%	87.5%	5.6%
55 to 64 years	22,321	77.4%	4.0%	71.7%	5.5%
65 to 74 years	5,284	30.2%	3.3%	26.5%	4.5%
75 years & over	1,088	5.9%	9.4%	5.8%	4.6%
Employment Characteristics by Race & Hispanic Origin					
White alone	125,166	70.5%	5.5%	70.5%	6.3%
Black or African American	1,453	59.7%	20.9%	67.6%	17.5%
American Indian & Alaska Native	295	61.6%	10.2%	60.1%	18.8%
Asian or Other Pac. Islanders	1,518	72.0%	8.1%	69.8%	8.5%
Some Other Race	1,007	76.3%	12.2%	77.6%	10.9%
Two or More Races	1,026	62.6%	10.5%	69.0%	14.4%
Hispanic or Latino	5,032	72.4%	12.0%	75.1%	10.4%
Employment Characteristics by Veteran Status					
Veterans, 18 to 64 years	6,877	81.8%	7.7%	77.8%	7.7%
Employment Characteristics by Disability					
With Any Disability	6,455	59.0%	9.8%	51.6%	14.6%
Employment Characteristics by Educational Attainment					
Population, 25 to 64 years	99,395	86.4%	4.7%	84.2%	5.9%
Less than H.S. Diploma	4,839	69.9%	12.2%	66.9%	14.6%
H.S. Diploma or Equivalent	30,858	83.8%	6.1%	79.4%	8.0%
Some College or Assoc. Degree	37,200	88.4%	4.0%	85.6%	6.1%
Bachelor's Degree or Higher	26,507	90.8%	2.6%	89.1%	3.4%

Source: 2009-2013 American Community Survey, 5-Year Estimates

UNEMPLOYMENT RATE, 2005-2015

Region 9 has consistently reported lower unemployment rates than Minnesota and the nation, regardless of the state of the economy. According to Local Area Unemployment Statistics, the region's unemployment rate hovered just 0.1 percent below the state rate from 2005 to 2008, before rising over 7.0 percent in 2009 and 2010, then dropping back to prerecession levels in 2014 and 2015 (see Figure 5). South Central typically has several counties each month among the lowest unemployment rates in the state, led by Nicollet and Blue Earth, which were below 3.5 percent in June of 2015.

Figure 5. Unemployment Rates, 2005-2015



Source: DEED Local Area Unemployment Statistics (LAUS)

COMMUTE SHED AND LABOR SHED, 2013

According to commuting data from the U.S. Census Bureau, the vast majority – about 71 percent – of workers who live in the region also work within the region. However, Region 9 is a net exporter of labor, having slightly more workers than available jobs; not only drawing in workers from surrounding counties but also having residents drive outside the region to find work. In sum, 76,689 workers both lived and worked in Region 9 in 2013, while another 26,023 workers drove into the region for work, compared to 30,811 workers who lived in the region but drove to surrounding counties for work (see Table 5 and Figure 6).

Blue Earth County is the largest employment center in the region and was the biggest draw for workers, followed by Nicollet, Brown, Martin, and Le Sueur County. Employers in the region both lose and draw workers from the Twin Cities metro area, as well as Rice and Steele County to the east (see Table 6 and Figure 6).

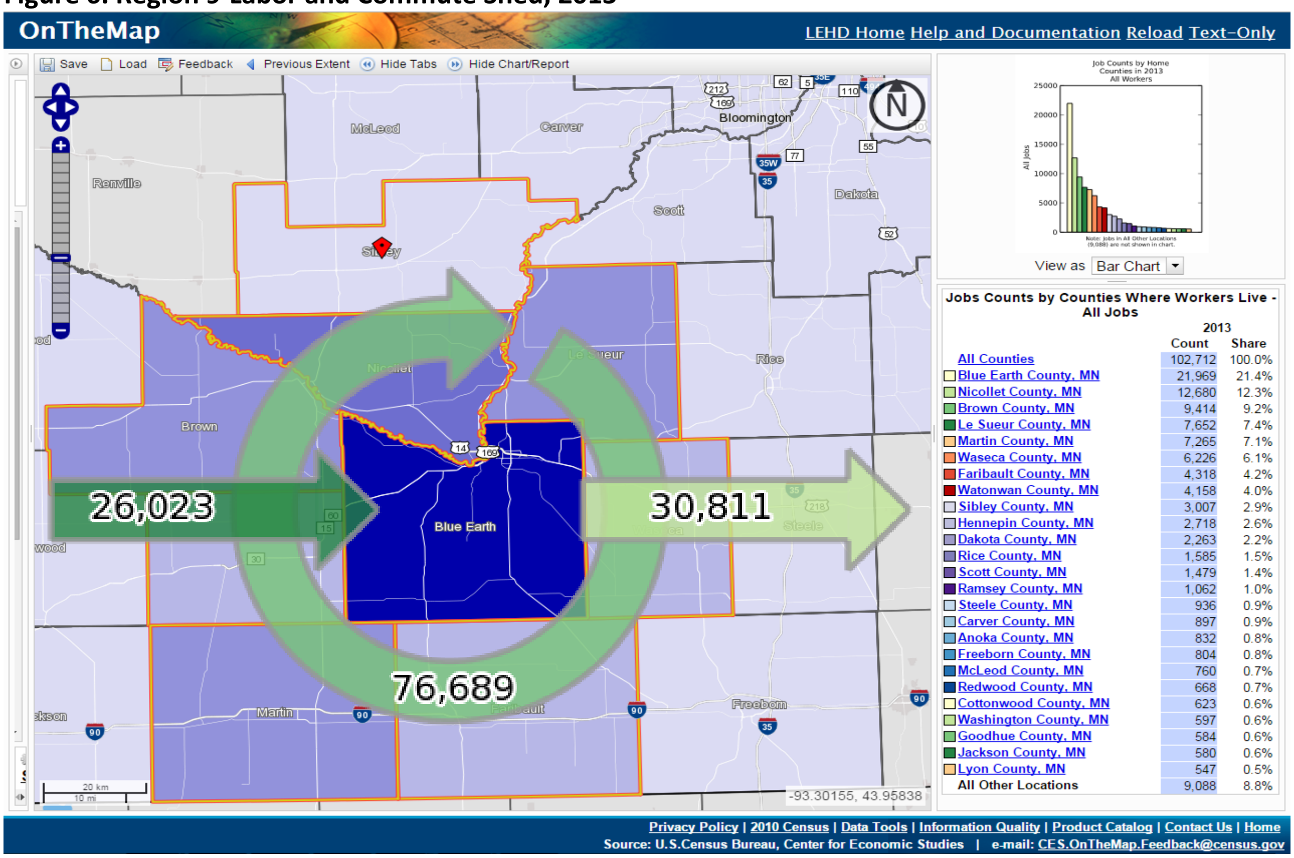
Table 5. Region 9 Inflow/Outflow Job Counts (All Jobs), 2013	2013	
	Count	Share
Employed in the Selection Area	102,712	100.0%
Employed in the Selection Area but Living Outside	26,023	25.3%
Employed and Living in the Selection Area	76,689	74.7%
Living in the Selection Area	107,500	100.0%
Living in the Selection Area but Employed Outside	30,811	28.7%
Living and Employed in the Selection Area	76,689	71.3%

Source: U.S. Census Bureau, OnTheMap

Table 6. Region 9 Commuting Patterns	
Counties outside the region that send the most workers into the region	Counties outside the region that the most workers from inside the region travel to
Hennepin Co. MN	Hennepin Co. MN
Dakota Co. MN	Scott Co. MN
Rice Co. MN	Ramsey Co. MN
Scott Co. MN	Dakota Co. MN
Ramsey Co. MN	Steele Co. MN

Source: U.S. Census Bureau, OnTheMap

Figure 6. Region 9 Labor and Commute Shed, 2013

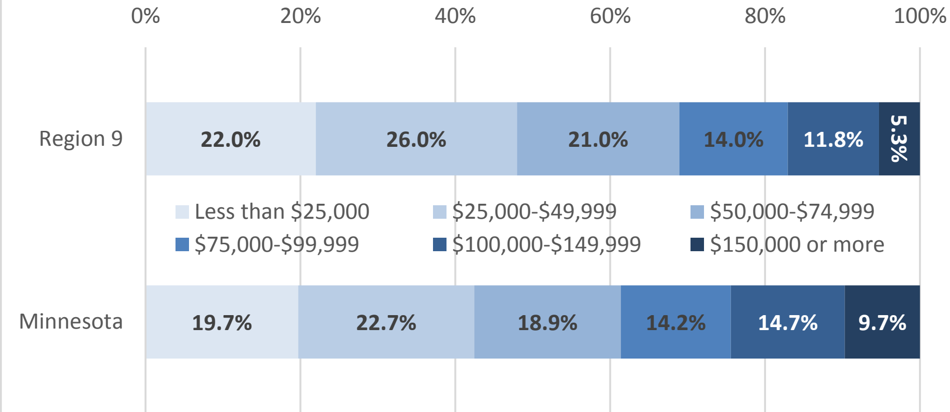


INCOMES, WAGES AND OCCUPATIONS

HOUSEHOLD INCOMES

Household incomes were slightly lower in Region 9 than the rest of the state. Median household incomes ranged from $44,264 in Faribault County, which was the 9th lowest in the state, to $60,115 in Nicollet County, which was the 12th highest. Nearly half (48.0%) of the households in the region had incomes below $50,000 in 2013, compared to 42.4 percent statewide. About 35 percent of households earned between $50,000 and $100,000 in the region. In contrast, only 17.1 percent of households in South Central earned over $100,000 per year, compared to nearly 25 percent of households statewide (see Figure 7).

Figure 7. Household Incomes, 2013

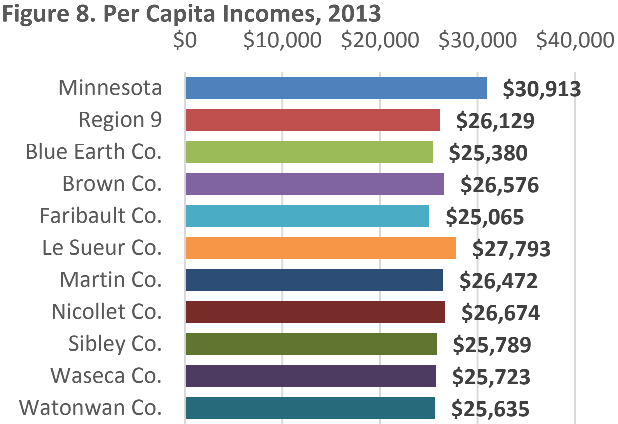


Source: U.S. Census Bureau, 2009-2013 American Community Survey 5-Year Estimates

PER CAPITA INCOMES

Per capita incomes were also slightly lower in the region than the state, ranging from a low of $25,065 in Faribault County to a high of $27,793 in Le Sueur County, compared to $30,913 in the state (see Figure 8).

Figure 8. Per Capita Incomes, 2013



Source: American Community Survey

COST OF LIVING

According to DEED's Cost of Living tool, the basic needs budget for an average Minnesota family (which consists of 2 adults and 1 child, with 1 full-time and 1 part-time worker) was $50,988 in 2015. The cost of living for a similar family in Region 9 was $42,120 – which was the 4th lowest of the 13 EDRs in the state. The highest monthly costs were for transportation, food, and housing; with the region's housing, child care, taxes, and transportation costs were significantly lower than the rest of the state (see Table 7).

In order to meet the basic cost of living for the region, the workers in the family scenario described would need to earn $13.50 per hour.

Table 7. Family Yearly Cost, Worker Hourly Wage, and Family Monthly Costs, 2015

Region	Family Yearly Cost of Living	Hourly Wage Required	Monthly Costs: Child Care	Food	Health Care	Housing	Transportation	Other	Taxes
Region 9	$42,120	$13.50	$221	$762	$396	$730	$940	$209	$252
Minnesota	$50,988	$16.34	$443	$772	$405	$907	$1,039	$235	$448

Source: DEED Cost of Living tool

WAGES AND OCCUPATIONS

According to DEED's Occupational Employment Statistics program, the median hourly wage for all occupations in Region 9 was $15.99 in the first quarter of 2015, which was right in the middle of the 13 regions in the state. South Central's median wage was nearly $2.65 below the state's median hourly wage and $4.50 below the median hourly wage in the 7-County Twin Cities metro area, which would amount to $9,360 less per year for a full-time worker. Median wages in Region 9 were also below surrounding regions like Region 10 ($17.74) and Region 6E ($16.42), but were $1.20 above Region 8 ($14.79) and $1.62 ahead of the lowest-earning region (see Table 8).

Table 8. Occupational Employment Statistics by Region, 1st Qtr. 2015	Median Hourly Wage	Estimated Regional Employment
EDR 1 - Northwest	$16.39	36,130
EDR 2 - Headwaters	$15.77	27,330
EDR 3 - Arrowhead	$16.58	141,800
EDR 4 - West Central	$15.66	83,540
EDR 5 - North Central	$14.37	56,050
EDR 6E - Southwest Central	$16.42	46,490
EDR 6W - Upper MN Valley	$15.34	18,380
EDR 7E - East Central	$16.43	44,580
EDR 7W - Central	$16.80	172,200
EDR 8 - Southwest	$14.79	53,380
EDR 9 - South Central	**$15.99**	**105,260**
EDR 10 - Southeast	$17.74	253,990
EDR 11 - 7-County Twin Cities	$20.49	1,691,650
State of Minnesota	**$18.65**	**2,730,020**

Source: DEED Occupational Employment Statistics

Not surprisingly, the lowest-paying jobs are concentrated in food preparation and serving, personal care and service, sales and related, and building, grounds cleaning and maintenance jobs, which tend to have lower educational and training requirements. For the most part, the gap in pay between Region 9 and the state is also lower in these jobs. Wages are most competitive in community and social service, production, and protective service occupations. Because of the region's unique industry mix, South Central has a relatively high concentration of jobs in production, education, transportation, and farming occupations (see Table 9).

Table 9. Region 9 Occupational Employment Statistics, 1st Qtr. 2015

	Region 9				State of Minnesota		
	Median Hourly Wage	Estimated Regional Employment	*Share of Total Employment*	*Location Quotient*	Median Hourly Wage	Estimated Regional Employment	*Share of Total Employment*
Total, All Occupations	**$15.99**	**105,260**	***100.0%***	***1.0***	**$18.65**	**2,730,020**	***100.0%***
Office & Administrative Support	$15.35	15,130	*14.4%*	*1.0*	$17.27	409,100	*15.0%*
Production	$16.16	13,020	*12.4%*	*1.6*	$16.61	217,830	*8.0%*
Education, Training, & Library	$21.17	12,420	*11.8%*	*2.1*	$22.72	156,090	*5.7%*
Sales & Related	$11.01	9,220	*8.8%*	*0.9*	$13.24	270,540	*9.9%*
Transportation & Material Moving	$14.49	7,010	*6.7%*	*1.1*	$16.18	167,130	*6.1%*
Food Preparation & Serving Related	$9.13	5,840	*5.5%*	*0.7*	$9.21	228,640	*8.4%*
Healthcare Practitioners & Technical	$25.69	5,470	*5.2%*	*0.9*	$31.54	160,390	*5.9%*
Management	$37.62	5,270	*5.0%*	*0.8*	$47.47	165,730	*6.1%*
Healthcare Support	$11.63	3,940	*3.7%*	*1.1*	$13.63	89,360	*3.3%*
Installation, Maintenance, & Repair	$20.24	3,910	*3.7%*	*1.1*	$21.52	94,310	*3.5%*
Building & Grounds Cleaning & Maint.	$11.58	3,830	*3.6%*	*1.2*	$12.03	81,560	*3.0%*
Business & Financial Operations	$25.87	3,480	*3.3%*	*0.6*	$30.37	159,970	*5.9%*
Construction & Extraction	$20.77	3,340	*3.2%*	*0.9*	$24.88	91,240	*3.3%*
Personal Care & Service	$10.71	3,080	*2.9%*	*0.7*	$11.11	120,000	*4.4%*
Community & Social Service	$21.39	2,320	*2.2%*	*1.2*	$20.51	49,210	*1.8%*
Protective Service	$18.73	2,070	*2.0%*	*1.2*	$19.43	43,660	*1.6%*
Architecture & Engineering	$29.10	1,620	*1.5%*	*0.8*	$34.76	50,980	*1.9%*
Arts, Design, Entertainment, & Media	$17.19	1,460	*1.4%*	*1.0*	$21.82	36,430	*1.3%*
Computer & Mathematical	$26.10	1,330	*1.3%*	*0.4*	$37.96	91,560	*3.4%*
Life, Physical, & Social Science	$24.30	870	*0.8%*	*0.9*	$30.29	24,410	*0.9%*
Legal	$31.94	330	*0.3%*	*0.5*	$38.48	18,330	*0.7%*
Farming, Fishing, & Forestry	$11.38	310	*0.3%*	*2.3*	$14.41	3,570	*0.1%*

Source: DEED Occupational Employment Statistics, Qtr. 1 2015

In contrast, the highest paying jobs are found in management, legal, architecture and engineering, computer, business and financial operations, and healthcare practitioners, which all need higher levels of education and experience, including many that require postsecondary training. The pay gaps between the region and state tend to be much bigger in these occupations.

JOB VACANCY SURVEY

Employers reported 3,998 job vacancies in the second quarter of 2015, an 8.4 percent increase compared to the previous year. Overall, 43 percent of the openings were part-time, and one-fourth required postsecondary education. The median hourly wage offer was $12.01 (see Table 10).

Table 10. Region 9 Job Vacancy Survey Results

	Number of Total Vacancies	Percent Part-time	Requiring Post-Secondary Education	Requiring 1 or More Years of Experience	Requiring Certificate or License	Median Hourly Wage Offer
Total, All Occupations	**3,998**	**43%**	**26%**	**31%**	**27%**	**$12.01**
Food Preparation & Serving Related	764	95%	1%	6%	2%	$8.61
Personal Care & Service	464	70%	12%	8%	8%	$9.39
Production	419	23%	9%	26%	5%	$13.61
Office & Administrative Support	337	27%	15%	36%	28%	$12.86
Construction & Extraction	331	1%	3%	46%	53%	$16.86
Sales & Related	285	34%	13%	36%	1%	$10.52
Transportation & Material Moving	266	8%	10%	38%	56%	$13.90
Healthcare Practitioners & Technical	236	26%	95%	75%	94%	$23.52
Education, Training, & Library	224	27%	88%	36%	49%	$17.26
Healthcare Support	115	55%	68%	24%	81%	$12.91
Management	99	0%	99%	99%	16%	$28.72
Arts, Design, Entertainment & Media	81	82%	21%	23%	45%	$11.03
Community & Social Service	76	49%	40%	21%	17%	$11.85
Building, Grounds Cleaning & Maint.	60	44%	2%	5%	15%	$11.60
Architecture & Engineering	51	4%	85%	74%	21%	$21.68
Installation, Maintenance, & Repair	51	0%	82%	13%	7%	$14.46
Protective Service	39	88%	7%	8%	75%	$8.55
Business & Financial Operations	31	0%	91%	90%	14%	$22.57
Life, Physical, & Social Science	30	0%	91%	92%	85%	$22.91
Computer & Mathematical	28	0%	96%	100%	11%	$30.96
Farming, Fishing, & Forestry	11	28%	0%	0%	35%	$12.23

Source: DEED Job Vacancy Survey, Qtr. 2 2015

OCCUPATIONS IN DEMAND

According to DEED's Occupations in Demand tool, there are 223 occupations showing relatively high demand in the region, with training and education requirements ranging from short-term on-the-job training to postsecondary education to advanced degrees. Almost half of the occupations in demand require a high school diploma or less, while just under 20 percent require some postsecondary training, a vocational award, or an associate's degree. Almost one-fourth require a bachelor's degree, and the remaining 10 percent require advanced degrees.

These occupations are spread across different sectors but are also concentrated in the region's major industries. For example, personal care aides, nursing assistants, slaughterers and meat packers, and heavy and tractor trailer truck drivers are among the top occupations in demand based on the consistent need for workers in these industries. Many of the jobs are concentrated in manufacturing, health care, transportation, and other related industries (see Table 11).

Table 11. Region 9 Occupations in Demand by Education Level, 2014

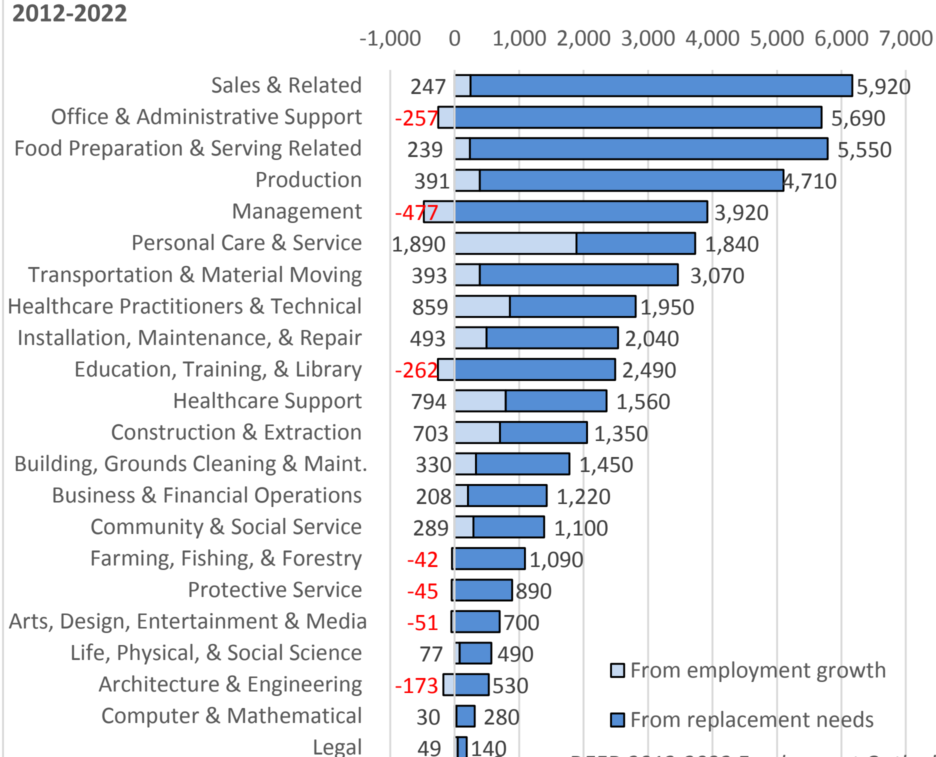
Less than High School	High School or Equivalent	Some College or Assoc. Degree	Bachelor's Degree or Higher
Personal Care Aides ($22,153)	Light Truck or Delivery Services Driver ($34,248)	Nursing Assistants ($24,057)	Family & General Practitioners ($179,049)
Stock Clerks & Order Fillers ($22,505)	Office Clerks, General ($29,179)	Heavy & Tractor-Trailer Truck Drivers ($34,478)	Rehabilitation Counselors ($46,049)
Slaughterers & Meat Packers ($27,909)	Route Drivers/Sales Workers ($19,470)	Registered Nurses ($54,221)	Physicians & Surgeons, All Other ($209,029)
Combined Food Preparation & Serving Workers ($18,372)	Maintenance & Repair Workers, General ($39,627)	Licensed Practical & Licensed Vocational Nurses ($39,101)	Industrial Engineers ($71,252)
Cashiers ($19,251)	Customer Service Representatives ($31,164)	First-Line Supervisors of Production Workers ($52,638)	Market Research Analysts & Specialists ($51,539)
Packers & Packagers, Hand ($19,313)	Social & Human Service Assistants ($42,126)	Medical Assistants ($30,450)	Accountants & Auditors ($58,059)
Retail Salespersons ($20,964)	Childcare Workers ($18,983)	Computer Support Specialists ($40,602)	Financial Managers ($89,496)
Laborers & Freight, Stock, & Material Movers ($28,640)	Loan Interviewers & Clerks ($35,206)	Hairdressers, Hairstylists, & Cosmetologists ($24,146)	Secondary School Teachers ($53,369)
Janitors & Cleaners ($24,354)	Bookkeeping, Accounting, & Auditing Clerks ($34,455)	Telecommunications Equip. Installers & Repair ($36,925)	Nurse Practitioners ($94,752)
Home Health Aides ($22,688)	Tellers ($23,842)	Prepress Technicians ($43,063)	Clinical, Counseling & School Psychologists ($57,249)

Source: DEED Occupations in Demand

EMPLOYMENT PROJECTIONS

Region 9 is a part of the 23-county Southwest planning region, which also includes Region 6W and 8. The entire region is projected to grow 2.7 percent from 2012 to 2022, making it the slowest growing planning region in the state, which is expected to expand by 7.0 percent. The region could gain 5,685 new jobs, but will also need to fill 48,000 replacement openings for existing jobs left vacant by retirements and other career changes. In fact, the number of replacement openings is expected to dwarf the number of new jobs in every group except for personal care and service occupations; primarily due to projected growth in personal care aides. Seven occupational groups will not see any new growth, but will still have demand for new workers (see Figure 9).

Figure 9. Southwest Minnesota Employment Projections, 2012-2022

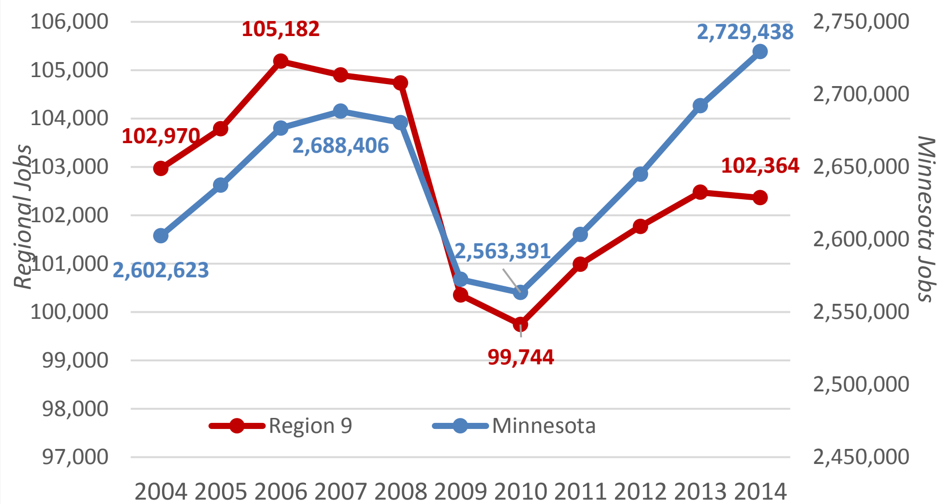


Source: DEED 2012-2022 Employment Outlook

ECONOMY

INDUSTRY EMPLOYMENT

Figure 10. Industry Employment Change, 2004-2014



Source: DEED Quarterly Census of Employment & Wages (QCEW)

Region 9 has seen employment ups and downs over the past decade, ending 2014 with almost the same number of jobs as in 2004. The region entered the recession earlier than the state, already experiencing job declines from 2006 to 2008, before suffering severe job loss in 2009 and 2010. Since then, Region 9 has recovered much more slowly than the state, which gained jobs at a 6.5 percent clip from 2010 to 2014, compared to a 2.6 percent increase in the region. Region 9 reached a peak of 105,182 jobs in 2006, hit a low of 99,744 jobs in 2010, before recovering through 2014 (see Figure 10).

According to DEED's Quarterly Census of Employment & Wages (QCEW) program, Region 9 was home to 6,454 business establishments providing 102,364 covered jobs through 2014, with a total payroll of just over $3.9 billion. That was about 3.8 percent of total employment in the state of Minnesota. Average annual wages were $38,428 in the region, which was $13,000 lower than the state's average annual wage.

Home to Mankato, Blue Earth County is the largest employment center in the region, with 38,043 jobs at 1,945 firms; followed by Nicollet County with 14,101 jobs at 674 firms and Brown County with 806 firms and 13,531 jobs. Five of the 9 counties in the region added jobs since 2010, led by Blue Earth (+1,851 jobs), Le Sueur (+1,218 jobs), and Nicollet (+1,108 jobs). In contrast, Waseca (-815 jobs) and Martin (-602 jobs) saw big declines from 2010 to 2014. Just three counties saw job gains from 2013 to 2014, leading to a net job loss in the region in the past year (see Table 12).

Table 12. Region 9 Industry Employment Statistics, 2014				Average Annual Wage	*2010-2014*		*2013-2014*	
Geography	Number of Firms	Number of Jobs	Total Payroll		*Change in Jobs*	*Percent Change*	*Change in Jobs*	*Percent Change*
EDR 9 - South Central	**6,454**	**102,364**	**$3,935,182,024**	**$38,428**	***+2,620***	***+2.6%***	***-110***	***-0.1%***
Blue Earth Co.	1,945	38,043	$1,478,468,474	$38,844	*+1,851*	*+5.1%*	*+140*	*+0.4%*
Brown Co.	806	13,531	$501,282,002	$37,024	*+84*	*+0.6%*	*-183*	*-1.3%*
Faribault Co.	453	4,861	$223,154,514	$45,708	*-148*	*-3.0%*	*-112*	*-2.3%*
Le Sueur Co.	703	8,443	$343,521,372	$40,508	*+1,218*	*+16.9%*	*+226*	*+2.8%*
Martin Co.	677	8,563	$316,420,792	$36,920	*-602*	*-6.6%*	*-66*	*-0.8%*
Nicollet Co.	674	14,101	$543,414,694	$38,480	*+1,108*	*+8.5%*	*+288*	*+2.1%*
Sibley Co.	384	4,032	$145,501,525	$36,036	*-172*	*-4.1%*	*-135*	*-3.2%*
Waseca Co.	501	6,768	$257,936,827	$38,116	*-815*	*-10.7%*	*-233*	*-3.3%*
Watonwan Co.	313	4,020	$125,481,824	$31,200	*+95*	*+2.4%*	*-37*	*-0.9%*
Minnesota	**164,409**	**2,729,438**	**$140,857,248,755**	**$51,584**	***+166,047***	***+6.5%***	***+37,321***	***+1.4%***

Source: DEED Quarterly Census of Employment & Wages (QCEW)

With 18,829 jobs at 363 firms, manufacturing is the largest employing industry in Region 9, accounting for 18.4 percent of total jobs in the region. That is about 7 percent higher than the state's concentration of employment in manufacturing. In addition, Region 9 is still adding manufacturing jobs, gaining 526 net new jobs over the past five years. At $47,008 in 2014, average annual wages were nearly $9,000 higher in manufacturing than the total of all industries.

The next largest industry in Region 9 was health care and social assistance, with 17,603 jobs at 559 firms, after gaining 128 net new jobs in the past five years. Due to the region's older population, the largest sector was nursing and residential care facilities, followed by hospitals, social assistance, and ambulatory health care services, though that sector saw the biggest job gain in the past 5 years.

Retail trade is the third largest industry, with 12,398 jobs at 862 establishments after gaining 469 jobs in the past five years. However, wages are relatively low in retail trade, at $21,736.

Other important industries in Region 9 include educational services, accommodation and food services, public administration, construction, wholesale trade, transportation and warehousing, other services, agriculture, and finance and insurance. Thirteen of the 20 main industries in the region added jobs since 2010, with huge gains manufacturing, retail trade, construction, agriculture, transportation and warehousing, accommodation and food services, professional and technical services, health care and social assistance, administrative support (which includes temporary staffing agencies) and waste management services, and information. In contrast, the region saw job declines in wholesale trade, educational services, and public administration (see Table 13).

Table 13. Region 9 Industry Employment Statistics, 2014

	2014 Annual Data				Avg.	*2010-2014*		*2013-2014*	
NAICS Industry Title	Number of Firms	Number of Jobs	*Percent of Jobs*	Total Payroll	Annual Wage	*Change in Jobs*	*Percent Change*	*Change in Jobs*	*Percent Change*
Total, All Industries	**6,454**	**102,364**	***100.0%***	**$3,935,182,024**	**$38,428**	***+2,620***	***+2.6%***	***-110***	***-0.1%***
Manufacturing	363	18,829	*18.4%*	$885,127,477	$47,008	*+526*	*+2.9%*	*-106*	*-0.6%*
Health Care & Social Assistance	559	17,603	*17.2%*	$684,145,068	$38,844	*+128*	*+0.7%*	*+13*	*+0.1%*
Retail Trade	862	12,398	*12.1%*	$269,855,004	$21,736	*+469*	*+3.9%*	*-63*	*-0.5%*
Educational Services	117	9,203	*9.0%*	$366,819,718	$40,040	*-45*	*-0.5%*	*+9*	*+0.1%*
Accommodation & Food Services	463	7,525	*7.4%*	$86,606,289	$11,492	*+171*	*+2.3%*	*-67*	*-0.9%*
Public Administration	280	5,426	*5.3%*	$220,663,255	$40,716	*-24*	*-0.4%*	*+8*	*+0.1%*
Construction	802	4,439	*4.3%*	$201,191,993	$44,928	*+432*	*+10.8%*	*+191*	*+4.5%*
Wholesale Trade	320	3,793	*3.7%*	$202,447,985	$53,352	*-170*	*-4.3%*	*-84*	*-2.2%*
Transportation & Warehousing	381	3,352	*3.3%*	$122,252,754	$36,556	*+244*	*+7.9%*	*-12*	*-0.4%*
Other Services	555	3,004	*2.9%*	$74,130,638	$24,648	*+64*	*+2.2%*	*-24*	*-0.8%*
Agriculture, Forestry, Fish & Hunt	283	2,956	*2.9%*	$115,683,411	$39,052	*+402*	*+15.7%*	*+167*	*+6.0%*
Finance & Insurance	415	2,935	*2.9%*	$153,333,308	$52,260	*-29*	*-1.0%*	*-47*	*-1.6%*
Admin. Support & Waste Mgmt.	208	2,613	*2.6%*	$63,336,196	$24,180	*+125*	*+5.0%*	*-183*	*-6.5%*
Professional & Technical Services	350	2,422	*2.4%*	$118,446,548	$48,932	*+144*	*+6.3%*	*+86*	*+3.7%*
Information	103	2,242	*2.2%*	$105,024,372	$46,852	*+121*	*+5.7%*	*+47*	*+2.1%*
Management of Companies	39	1,033	*1.0%*	$174,664,127	$167,492	*-15*	*-1.4%*	*-44*	*-4.1%*
Arts, Entertainment & Recreation	128	1,030	*1.0%*	$11,899,238	$11,492	*+67*	*+7.0%*	*0*	*0.0%*
Real Estate, Rental & Leasing	180	797	*0.8%*	$19,837,076	$24,908	*-4*	*-0.5%*	*-15*	*-1.8%*
Utilities	38	501	*0.5%*	$39,493,295	$78,884	*-17*	*-3.3%*	*-4*	*-0.8%*
Mining	10	259	*0.3%*	$20,224,272	$78,572	*+33*	*+14.6%*	*+19*	*+7.9%*

Source: DEED Quarterly Census of Employment & Wages (QCEW)

DISTINGUISHING INDUSTRIES

Region 9 stands out in the state for its higher concentrations of employment in manufacturing and agriculture, but has a broader list of industry sectors that are more prevalent in the region than the state. South Central has 3.8 percent of total state employment, but has over 23 percent of the state's jobs in animal production and aquaculture, and over 14 percent of statewide jobs in printing and related support activities. The region also has over 10 percent of the state's employment in nonmetallic mineral product manufacturing and food manufacturing, as well as strengths in support activities for agriculture, beverage manufacturing, and transportation equipment manufacturing (see Table 14).

Table 14. Region 9 Distinguishing Industries, 2014

NAICS Industry Title	NAICS Code	Number of Firms	Number of Jobs	Total Payroll	Avg. Annual Wages	Location Quotient
Total, All Industries	**0**	**6,454**	**102,364**	**$3,935,182,024**	**$38,428**	**1.0**
Animal Production & Aquaculture	112	159	2,439	$98,636,699	$40,404	6.2
Printing & Related Support Activities	323	46	3,442	$146,687,951	$42,588	3.8
Nonmetallic Mineral Product Mfg.	327	17	1,175	$57,630,438	$48,984	3.5
Food Manufacturing	311	58	4,893	$223,048,134	$45,604	2.9
Support Activities for Agriculture	115	45	214	$7,859,758	$36,400	2.6
Beverage & Other Product Manufacturing	312	8	255	$9,566,033	$37,856	2.5
Telecommunications	517	24	1,125	$58,653,062	$52,156	2.2
Transportation Equipment Manufacturing	336	18	866	$36,356,372	$42,016	2.0
Natural Gas Distribution	2212	5	108	$7,648,151	$70,668	1.8
Gasoline Stations	447	118	1,538	$23,259,832	$15,080	1.7

Source: DEED Quarterly Census of Employment & Wages (QCEW)

INDUSTRY PROJECTIONS

As noted above, the 23-county Southwest Minnesota planning region is projected to grow 2.7 percent from 2012 to 2022, a gain of 5,685 new jobs. The largest and fastest growing industry is expected to be health care and social assistance, which may account for over 70 percent of total projected growth in the region from 2012 to 2022. The region is also expected to see significant employment growth in construction, professional and technical services, administrative support and waste management services, retail trade, wholesale trade, and accommodation and food services. In contrast, the region is expected to see declines in government employment, information, utilities, and other services (see Table 15).

Table 15. Southwest Minnesota Industry Projections, 2012-2022

Industry	Estimated Employment 2012	Projected Employment 2022	Percent Change 2012-2022	Numeric Change 2012-2022
Total, All Industries	**207,849**	**213,534**	**+2.7%**	**+5,685**
Manufacturing	31,654	31,719	+0.2%	+65
Total Government	31,721	30,668	-3.3%	-1,053
Health Care & Social Assistance	25,529	29,605	+16.0%	+4,076
Retail Trade	20,071	20,404	+1.7%	+333
Accommodation & Food Services	11,915	12,153	+2.0%	+238
Wholesale Trade	8,262	8,526	+3.2%	+264
Other Services	8,312	8,265	-0.6%	-47
Construction	7,299	7,809	+7.0%	+510
Finance & Insurance	5,874	5,903	+0.5%	+29
Agriculture, Forestry, Fish & Hunt	5,389	5,519	+2.4%	+130
Transportation & Warehousing	5,123	5,317	+3.8%	+194
Professional & Technical Services	4,069	4,486	+10.2%	+417
Admin. Support & Waste Mgmt.	3,893	4,252	+9.2%	+359
Information	2,914	2,608	-10.5%	-306
Arts, Entertainment & Recreation	2,507	2,551	+1.8%	+44
Management of Companies	1,977	2,072	+4.8%	+95
Educational Services	1,971	2,037	+3.3%	+66
Real Estate & Rental & Leasing	1,270	1,396	+9.9%	+126
Utilities	772	704	-8.8%	-68
Mining	383	458	+19.6%	+75

Source: DEED 2012-2022 Employment Outlook

EMPLOYERS BY SIZE CLASS

The vast majority of businesses in Region 9 are small businesses, with 52.3 percent of businesses reporting 1 to 4 employees in 2013, according to County Business Patterns from the U.S. Census Bureau. Another 34 percent had between 5 and 19 employees; and 11.3 percent had between 20 and 99 employees. Only 2.3 percent had 100 to 499 employees, though that was in line with the state. Just 11 businesses in the region had more than 500 employees, which is the Small Business Administration's official cut off for a "small business". Obviously then, small businesses are vital to the region's economy (see Table 16).

Table 16. Employers by Size Class, 2013			
	Region 9		Minnesota
Number of Employees	Number of Firms	Percent of Firms	Percent of Firms
1-4	3,230	52.3%	54.2%
5-9	1,215	19.7%	17.7%
10-19	886	14.3%	13.4%
20-49	507	8.2%	8.9%
50-99	189	3.1%	3.2%
100-249	118	1.9%	1.9%
250-499	24	0.4%	0.5%
500-999	9	0.1%	0.2%
1,000 or more	2	0.0%	0.1%
Total Firms	**6,180**	**100.0%**	**100.0%**

Source: U.S. Census, County Business Patterns

NONEMPLOYER ESTABLISHMENTS

Before growing, the basic building block of most small businesses is a self-employed business. Region 9 was home to 15,579 self-employed businesses or "nonemployers" in 2013, which are defined by the U.S. Census Bureau as "businesses without paid employees that are subject to federal income tax, originating from tax return information of the Internal Revenue Service (IRS)." Much like covered employment, Region 9 has seen a slower but steady increase in nonemployers over the past decade. In sum, the region gained 880 new nonemployers from 2003 to 2013, a 6.0 percent increase. The largest amount of nonemployers and the fastest growth occurred in Blue Earth, Nicollet, Le Sueur, and Sibley County, whereas the other five counties saw declines in self-employment. These nonemployers generated sales receipts of $642.6 million in 2013 (see Table 17).

Table 17. Nonemployer Statistics, 2013				
	2013		*2003-2013*	
	Number of Firms	Receipts ($1,000s)	*Change in Firms*	*Percent Change*
Region 9	**15,579**	**$642,612**	***+880***	***+6.0%***
Blue Earth Co.	4,060	$172,121	*+526*	*+14.9%*
Brown Co.	1,780	$69,930	*-20*	*-1.1%*
Faribault Co.	1,130	$54,033	*-163*	*-12.6%*
Le Sueur Co.	1,982	$86,502	*+352*	*+21.6%*
Martin Co.	1,486	$59,437	*-35*	*-2.3%*
Nicollet Co.	2,169	$76,461	*+259*	*+13.6%*
Sibley Co.	1,062	$41,675	*+45*	*+4.4%*
Waseca Co.	1,190	$55,444	*-69*	*-5.5%*
Watonwan Co.	720	$27,009	*-15*	*-2.0%*
State of Minnesota	**388,900**	**$17,268,230**	***+40,173***	***+11.5%***

Source: U.S. Census, Nonemployer Statistics program

CENSUS OF AGRICULTURE

Finally, one of the most important industries in Region 9 is agriculture, with 7,918 farms producing nearly $3.5 billion in the market value of products sold in 2012, according to the U.S. Department of Agriculture. Region 9 had 10.6 percent of the state's farms, and 16.4 percent of the state's total market value, led by Martin, Blue Earth, Faribault, Nicollet, Brown, and Sibley County, which were all among the top 21 counties in the state for the market value of products sold. Despite seeing a small decline in the number of farms, the region saw a 53 percent rise in the market value of products sold from 2007 to 2012 (see Table 18).

Table 18. Census of Agriculture, 2012				
	Number of Farms	Market Value of Products Sold	*State Rank*	*Change in Market Value, 2007-2012*
Region 9	**7,918**	**$3,495,022,000**		***+53.0%***
Blue Earth Co.	1,070	$505,423,000	*6*	*+54.3%*
Brown Co.	1,055	$382,917,000	*20*	*+49.4%*
Faribault Co.	824	$414,201,000	*15*	*+42.8%*
Le Sueur Co.	1,051	$224,307,000	*50*	*+60.6%*
Martin Co.	897	$619,565,000	*3*	*+53.7%*
Nicollet Co.	764	$386,630,000	*19*	*+63.3%*
Sibley Co.	949	$377,027,000	*21*	*+54.5%*
Waseca Co.	805	$303,906,000	*33*	*+50.6%*
Watonwan Co.	503	$281,046,000	*39*	*+52.2%*
Minnesota	**74,542**	**$21,280,184,000**		***+61.5%***

Source: 2012 Census of Agriculture